

Message Text

UNCLASSIFIED

PAGE 01 THE HA 01254 161527 Z

45

ACTION TRSE-00

INFO OCT-01 EUR-25 EA-11 ADP-00 INRE-00 CCO-00 SSO-00

NSCE-00 USIE-00 NEA-10 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-09 NSAE-00 RSC-01 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 SAL-01 OMB-01 NSC-10 SS-14 STR-08

CEA-02 PRS-01 PA-03 ABF-01 AGR-20 SAJ-01 GAC-01 RSR-01

/182 W

----- 073391

O R 161445 Z MAR 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 901

AMEMBASSY PARIS IMMEDIATE

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS IMMEDIATE

UNCLAS THE HAGUE 1254

PASS TREASURY AND FRB

PARIS FOR SECRETARY SHULTZ

E. O. 11652: N/ A

TAGS: EFIN, NL

SUBJECT: NEGATIVE INTEREST RATE ON FOREIGNER ACCOUNTS

1. AS ANTICIPATED (HAGUE 1186, 1197), NETHERLANDS CENTRAL BANK
HAS INSTITUTED NEGATIVE INTEREST RATE ON NON- RESIDENTS' GUILDER
ACCOUNTS IN ORDER TO ENCOURAGE FOREIGN CURRENCY OUTFLOWS AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 01254 161527 Z

DISCOURAGE INFLOWS.

2. EFFECTIVE MARCH 26, NON- RESIDENTS WILL BE CHARGED 13 PERCENT ANNUAL

NEGATIVE INTEREST (1/4 PERCENT WEEKLY) ON ALL GUILDER BALANCES IN EXCESS OF EARLY FEBRUARY BALANCES.

3. FOLLOWING ANNOUNCEMENT, DOLLAR- GUILDER SPOT RATE FIRMED BY ABOUT TWO DUTCH CENTS MARCH 16 TO 2.876.

4. FORWARD RATE AND " O" GUILDER PREMIUM INCREASED SHARPLY, AS NON- RESIDENTS SOUGHT TO AVOID EFFECTS OF NEW MEASURE. ONE MONTH FORWARD RATE 12 1/2 PERCENT (ON ANNUAL BASIS), TWO MONTH RATE 9.4 PERCENT , THREE MONTH RATE 7.65 PERCENT, SIX MONTH RATE 6.3 PERCENT. PREMIUM PAID FOR " O" GUILDERS, WHICH ARE REQUIRED BY FOREIGNERS FOR PURCHASE OF DUTCH DEBT SECURITIES, WAS 4 PERCENT.
MIDDENDORF

UNCLASSIFIED

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 16 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973THEHA01254
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730331/aaaahyuh.tel
Line Count: 87
Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 22 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22-Aug-2001 by cunninfx>; APPROVED <27-Aug-2001 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> srp 971212
Subject: NEGATIVE INTEREST RATE ON FOREIGNER ACCOUNTS
TAGS: EFIN, NL
To: PARIS
SECSTATE WASHDC
TRSE INFO BERN
BONN
EC BRUSSELS
MULTIPLE
Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005